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TREASURY FOR OFAC

E.O. 12958: N/A

TAGS: [ETTC](#) [ELAB](#) [CU](#) [UK](#)

SUBJECT: CUBA SOLIDARITY GROUP MAY FORCE SANCTIONS SHOWDOWN
WITH HILTON HOTELS

REF: (A) LONDON 525 (B) LONDON 764

¶1. Summary: Hilton Hotels in the UK believes its efforts to obey US sanctions on Cuba, while simultaneously respecting UK law banning discrimination based on nationality, will soon be tested by a pro-Cuban government NGO. The NGO will seek to check a Cuban delegation into a Hilton hotel in the UK. Hilton has also lost conference business from two major UK unions who are not satisfied by Hilton's attempts to walk a line between US and UK law. Hilton has requested a license from Treasury's Office of Foreign Assets Control (OFAC) to do business with Cubans in the UK. Post has sought to help Hilton by explaining to UK audiences what is and is not covered by US sanctions. See action request in para 6. End Summary.

¶2. Hilton VP for Communications Linda Bain contacted EconCouns June 7 to update post on the Cuba Sanctions issue. She and Hilton International CEO Ian Carter with the UK parliament's All Party Cuba Committee at the latter's invitation on May 22. When Carter and Bain arrived they discovered the Committee had also invited the Cuban Ambassador and the Cuba Solidarity Movement, an NGO that militates on behalf of the Castro regime. According to Bain, the Committee was not hostile, but considered inadequate Hilton's policy of instructing its UK staff to honor local law forbidding discrimination on the basis of nationality. They want Hilton to go further and declare that they will not enforce US sanctions on Cuba in their UK hotels. Carter explained that Hilton could not go on record as defying US law. Committee members said they would protest the US sanctions with the relevant minister as soon as Gordon Brown forms his new cabinet.

¶3. The representatives of the Cuba Solidarity Movement were more hostile. They told Hilton "they were getting what they deserved." They strongly hinted they would force a test case by attempting to register Cubans at a UK Hilton Hotel. Hilton suspects this could happen around the time of the annual Cuban holidays of the National Revolutionary Festival on July 25 - 27.

¶4. Bain again noted they are hoping for a favorable ruling on their license request from OFAC to allow them operate in conformance with UK law. Bain also reported that two important trade union customers of Hilton, the GMB and UNISON have said they will cancel all conference and other business with Hilton until this issue is resolved.

¶5. Comment: Hilton's case has been linked in the UK with a reported decision by Barclay's Bank UK to close its Cuban accounts. Barclay's action is interpreted as a response to US pressure, even an illegal attempt to extend US law

extraterritorially. Lumped with the Hilton case, it serves to raise resentment against the US whenever they are raised. Embassy has sought to defuse with UK audiences the issue of the extraterritorial reach of US sanctions on Cuba, while stressing the reasons we impose sanctions. Drawing on assurances from OFAC, for example, that it played no role in Barclay's decision to close its Cuba business, we have briefed Members of Parliament and the Trade Union Congress that the US does not impose its sanctions obligations extraterritorially on non-US persons. We explained that if Barclays has shuttered its Cuba operations, it was a business decision, perhaps (we hope) driven by the higher complexity of doing business there in the face of US sanctions. This does not constitute extraterritorial sanctions, however. End Comment

¶6. Action Request: Hilton's case is likely to come to a head soon and will have an impact on other US hotel chains, and not just in the UK. Request Department work with OFAC to adjudicate Hilton's license request as soon as possible. End Summary and Action Request.

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